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Washington State Health Benefit Exchange
Report to the Legislature
January 2017

## Report to the Legislature

The Exchange is required to submit a financial report on a monthly basis to the Legislature and Health Care Authority (2ESHB 2376). This report includes:

- A report of all expenses;
- Beginning and ending fund balances by fund source;
- Any contracts or contract amendments signed by the Exchange; and
- An accounting of staff required to operate the Exchange broken out by full time equivalent positions, contracted employees, temporary staff, and any other relevant designation that indicates the staffing level of the Exchange.

The monthly report reflects the financial information, staffing levels and all changes to contracts as of December 2016. The monthly report reflects total funding, including both appropriated and nonappropriated funds.

The December monthly report identified the extension of Federal implementation grant dollars through June 30, 2017. As a result, several contracts which support the design and development work supported by the grant were continued, resulting in a higher level of contract activity.

Carrier assessment revenues have a positive variance of $\$ 226,000$ due to higher than projected caseloads. Current estimates for end of year projections show an expected positive variance of around $2.5 \%$ of total funds ( $\$ 1.5$ million in total funds).

|  | State Fiscal Year 2017 Enrollment - October 2016 Forecast |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Enrollment |  |  | Quarter 2 | Quarter 3 | Quarter 4 | Total |
| QHP Medical |  | 500,670 | 482,071 | 502,604 | 515,674 | 2,001,019 |
| QHP Pediatric Dental |  | 19,694 ${ }^{\prime \prime}$ | 17,787 ${ }^{\prime \prime}$ | 19,851 ${ }^{\circ}$ | 20,676 | 78,008 |
| QHP Family Dental |  | 0 | $0^{\prime \prime}$ | -89,930 | 93,669 | 183,599 |
| Total |  | 520,364 | 499,858 | 612,384 | 630,020 | 2,262,626 |


|  | State Fiscal Year 2017 Projections |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 17T- QHP Medical | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$3,734,999 | \$3,596,251 | \$3,749,423 | \$3,846,929 | \$14,927,601 |
| Premium Tax | \$3,310,866 | \$3,310,866 | \$648,342 | \$6,672,912 | \$13,942,986 |
| Subtotal | \$7,045,865 | \$6,907,117 | \$4,397,765 | \$10,519,841 | \$28,870,587 |
| State Fiscal Year 2017 |  |  |  |  |  |
| 17T- QHP Family Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | Family Dental pr | ram does not | \$230,221 | \$239,793 | \$470,014 |
| Premium Tax | begin until J | uary 2017. | \$44,335 | \$46,579 | \$90,914 |
| Subtotal | \$0 | \$0 | \$274,556 | \$286,372 | \$560,929 |
| 17T- QHP Pediatric Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$11,423 | \$10,316 | \$11,513 | \$11,992 | \$45,245 |
| Premium Tax | \$10,400 | \$9,699 | \$10,772 | \$11,173 | \$42,044 |
| Subtotal | \$21,823 | \$20,016 | \$22,285 | \$23,166 | \$87,289 |
| State Fiscal Year 2017 |  |  |  |  |  |
| Total 17T | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$3,746,421 | \$3,606,567 | \$3,991,157 | \$4,098,715 | \$15,442,860 |
| Premium Tax | \$3,321,266 | \$3,320,565 | \$703,449 | \$6,730,664 | \$14,075,944 |
| Total | \$7,067,687 | \$6,927,132 | \$4,694,606 | \$10,829,379 | \$29,518,805 |

Revenue
State Fiscal Year 2017

| State Fiscal Year 2017 Actuals |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 17T- QHP Medical | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$3,970,668 | \$3,424,447 | \$0 | \$0 | \$7,395,115 |
| Premium Tax | \$3,305,897 | \$647,349 | \$0 | \$0 | \$3,953,246 |
| Subtotal | \$7,276,565 | \$4,071,796 | \$0 | \$0 | \$11,348,361 |
| State Fiscal Year 2017 |  |  |  |  |  |
| 17T- QHP Family Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Premium Tax | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 |
| 17T- QHP Pediatric Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$12,370 | \$0 | \$0 | \$0 | \$12,370 |
| Premium Tax | \$4,969 ${ }^{\text {² }}$ | \$994 | \$0 | \$0 | \$5,963 |
| Subtotal | \$17,339 | \$994 | \$0 | \$0 | \$18,333 |
| State Fiscal Year 2017 |  |  |  |  |  |
| Total 17T | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$3,983,038 | \$3,424,447 | \$0 | \$0 | \$7,407,485 |
| Premium Tax | \$3,310,866 | \$648,342 | \$0 | \$0 | \$3,959,208 |
| Total | \$7,293,904 | \$4,072,789 | \$0 | \$0 | \$11,366,693 |


| 17 T Variance | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |  |
| :--- | ---: | :--- | :--- | :--- | :--- | ---: |
| Carrier Assessment | $\$ 236,617$ | $\$ 0$ |  | $\$ 0$ | $\$ 0$ | $\$ 236,617$ |
| Premium Tax | $-\$ 10,400$ | $\$ 0$ | $\$ 0$ | $\$ 0$ | $-\$ 10,400$ |  |
| Total | $\mathbf{\$ 2 2 6 , 2 1 7}$ | $\$ \mathbf{0}$ | $\mathbf{\$ 0}$ | $\mathbf{\$ 0}$ | $\mathbf{\$ 2 2 6 , 2 1 7}$ |  |

Budgeted to Actual Expenditures - By Fund Source
State Fiscal Year November 2017

| Policy | July | August | September | October | November | December | January | February | March | April | May | June | FYTD 2017 | FY 2017 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budgeted | \$74,296 | \$73,638 | \$75,000 | \$74,607 | \$98,215 | \$101,072 | \$101,072 | \$84,405 | \$84,405 | \$84,405 | \$84,405 | \$84,469 | \$496,827 | \$1,019,988 |
| GF State |  |  |  |  |  |  |  |  |  |  |  |  | \$0 | \$0 |
| GF-Federal | \$1,645 | \$1,645 | \$1,645 | \$1,645 | \$14,370 | \$14,370 | \$14,370 | \$10,908 | \$10,908 | \$10,908 | \$10,908 | \$10,934 | \$35,320 | \$104,256 |
| 17T | \$72,651 | \$71,993 | \$73,355 | \$72,962 | \$83,845 | \$86,702 | \$86,702 | \$73,497 | \$73,497 | \$73,497 | \$73,497 | \$73,535 | \$461,506 | \$915,732 |
| Grants |  |  |  |  |  |  |  |  |  |  |  |  | \$0 | \$0 |
| Expenditures | \$68,971 | \$73,598 | \$70,823 | \$69,111 | \$84,290 | \$96,348 | \$101,072 | \$84,405 | \$84,405 | \$84,405 | \$84,405 | \$84,469 | \$463,141 | \$986,302 |
| GF State |  |  |  |  | \$23,006 | \$48,138 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$71,144 | \$71,144 |
| GF-Federal |  |  |  |  | \$7,437 | \$17,402 | \$14,370 | \$10,908 | \$10,908 | \$10,908 | \$10,908 | \$10,934 | \$24,839 | \$93,775 |
| 17T | \$68,971 | \$73,598 | \$70,823 | \$69,111 | \$53,847 | \$30,808 | \$86,702 | \$73,497 | \$73,497 | \$73,497 | \$73,497 | \$73,535 | \$367,158 | \$821,383 |
| Grants |  |  |  |  |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Variance | \$5,324 | \$40 | \$4,177 | \$5,496 | \$13,925 | \$4,723 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$33,686 | \$33,686 |
| GF State | \$0 | \$0 | \$0 | \$0 | $(\$ 23,006)$ | $(\$ 48,138)$ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | $(\$ 71,144)$ | (\$71,144) |
| GF-Federal | \$1,645 | \$1,645 | \$1,645 | \$1,645 | \$6,933 | (\$3,032) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,481 | \$10,481 |
| 17T | \$3,679 | (\$1,605) | \$2,532 | \$3,851 | \$29,998 | \$55,894 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$94,349 | \$94,349 |
| Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |



## Budgeted to Actual Expenditures - By Object

State Fiscal Year November 2017

| Policy | July | August | September | October | November | December | January | February | March | April | May | June | FYTD 2017 | FY 2017 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Budgeted | \$74,296 | \$73,638 | \$75,000 | \$74,607 | \$98,215 | \$101,072 | \$101,072 | \$84,405 | \$84,405 | \$84,405 | \$84,405 | \$84,469 | \$496,827 | \$1,019,988 |
| Salaries | \$51,966 | \$51,308 | \$52,670 | \$52,277 | \$57,661 | \$57,661 | \$57,661 | \$57,661 | \$57,661 | \$57,661 | \$57,661 | \$57,687 | \$323,542 | \$669,534 |
| Benefits | \$16,816 | \$16,816 | \$16,816 | \$16,816 | \$18,374 | \$18,374 | \$18,374 | \$18,374 | \$18,374 | \$18,374 | \$18,374 | \$18,400 | \$104,012 | \$214,282 |
| Contracts | \$500 | \$500 | \$500 | \$500 | \$17,167 | \$17,167 | \$17,167 | \$500 | \$500 | \$500 | \$500 | \$504 | \$36,334 | \$56,005 |
| Goods and Services | \$4,284 | \$4,284 | \$4,284 | \$4,284 | \$4,284 | \$7,141 | \$7,141 | \$7,141 | \$7,141 | \$7,141 | \$7,141 | \$7,145 | \$28,560 | \$71,411 |
| Travel | \$730 | \$730 | \$730 | \$730 | \$729 | \$729 | \$729 | \$729 | \$729 | \$729 | \$729 | \$733 | \$4,378 | \$8,756 |
| Expenditures | \$68,971 | \$73,598 | \$70,823 | \$69,111 | \$84,290 | \$96,348 | \$101,072 | \$84,405 | \$84,405 | \$84,405 | \$84,405 | \$84,469 | \$463,141 | \$986,302 |
| Salaries | \$51,966 | \$51,249 | \$52,726 | \$52,333 | \$57,750 | \$57,750 | \$57,661 | \$57,661 | \$57,661 | \$57,661 | \$57,661 | \$57,687 | \$323,773 | \$669,765 |
| Benefits | \$16,835 | \$16,635 | \$16,866 | \$16,778 | \$18,462 | \$17,784 | \$18,374 | \$18,374 | \$18,374 | \$18,374 | \$18,374 | \$18,400 | \$103,361 | \$213,631 |
| Contracts |  |  |  |  | \$2,444 | \$15,271 | \$17,167 | \$500 | \$500 | \$500 | \$500 | \$504 | \$17,714 | \$37,385 |
| Goods and Services | \$125 | \$4,888 | \$132 | \$0 | \$5,252 | \$4,848 | \$7,141 | \$7,141 | \$7,141 | \$7,141 | \$7,141 | \$7,145 | \$15,245 | \$58,096 |
| Travel | \$45 | \$827 | \$1,099 | \$0 | \$382 | \$695 | \$729 | \$729 | \$729 | \$729 | \$729 | \$733 | \$3,048 | \$7,426 |
| Variance | \$5,324 | \$40 | \$4,177 | \$5,496 | \$13,925 | \$4,723 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$33,686 | \$33,686 |
| Salaries | (\$0) | \$59 | (\$56) | (\$56) | (\$89) | (\$89) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$231) | (\$231) |
| Benefits | (\$19) | \$181 | (\$50) | \$38 | (\$88) | \$590 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$651 | \$651 |
| Contracts | \$500 | \$500 | \$500 | \$500 | \$14,723 | \$1,896 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,620 | \$18,620 |
| Goods and Services | \$4,159 | (\$604) | \$4,152 | \$4,284 | (\$968) | \$2,292 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,315 | \$13,315 |
| Travel | \$685 | (\$97) | (\$369) | \$730 | \$347 | \$34 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,330 | \$1,330 |



| Contract \# | Company | Type | start | end | Contract Owner | Description | Additional value | Total contract value | Changes Through December 2016 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| HBE-003 | Clark Nuber | Contract | 4/20/12 | 12/31/16 | Carole Holland | Financial management and accounting assistance | \$0 | \$989,900 | Letter of non-renewal sent |
| HBE-043 | Rich Wyde | Contract | 9/24/12 | 13/31/18 | Brian Peyton | Legal assistance | \$0 | \$160,000 | Extend agreement through 12/31/18 |
| HBE-048 | KP LLC | Contract | 4/12/13 | 12/31/17 | Beth Walter | Printing services | \$4,000,000 | \$14,000,000 | Add funds and extend to $12 / 31 / 17$ |
| HBE-050 | Outsolve | Contract | 1/10/13 | 12/31/18 | Brian Peyton | Affirmative action consultation | \$1,568 | \$10,594 | Extend period of performance and add funds for continuation of affirmative action contract |
| HBE-068 | Milliman | Contract | 8/22/13 | 12/31/16 | Carole Holland | General actuarial and quantitative services | \$0 | \$1,062,364 | Letter of non-renewal sent |
| HBE-085 | John <br> Flannagan | Contract | 7/1/13 | 12/31/16 | Carole Holland | Contract administrator | \$ | \$350,000 | Letter of non-renewal sent |
| HBE-086 | Milestone | Contract | 9/21/15 | 12/31/17 | Vincent <br> Barrailler | IT services | \$111,466 | \$4,000,000 | Work orders extended for two contractors through 4/30/17 |
| HBE-098 | Mary <br> Benckert Reis | Contract | 7/25/13 | 11/30/16 | Carole Holland | Abila and financial consultant | \$0 | \$592,444 | Letter of non-renewal sent |
| HBE-119 | Gail Mauer | Contract | 10/18/13 | 6/30/18 | Brian Peyton | Presiding Officer services | \$35,000 | \$85,000 | Add funds and extend contract through 12/31/17 |
| HBE-121 | Lauren Erickson | Contract | 10/25/13 | 6/30/18 | Brian <br> Peyton | Presiding Officer services | \$25,000 | \$75,000 | Add funds and extend contract through 12/31/17 |
| HBE-171 | Ciber | Contract | 2/1/15 | 6/30/18 | Vincent Barrailler | Optional use contract for technical staffing | \$0 | \$4,000,000 | Create new work order for contractor and extend a current contractor |
| HBE-173 | Cognizant | Contract | 1/1/15 | 6/30/18 | Vincent <br> Barrailler | Functional and system analysis \& project management | \$0 | \$4,000,000 | Extend agreement through 12/31/17 and work order for contractor through 6/30/17 |

## CONTRACTS

| Contract <br> $\#$ | Company | Type | start | end | Contract <br> Owner | Description | Additional <br> value | Total contract <br> value | Changes Through <br> December 2016 |
| :--- | :--- | :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| HBE-198 | Portland Web <br> Works | Contract | $10 / 16 / 15$ | $12 / 31 / 17$ | Michael <br> Marchand | Web content <br> management system | $\$ 26,484$ | $\$ 365,684$ | Add SOW for project work <br> and add funds for 2017 <br> hosting and support |
| HBE-217 | Resource <br> Group | Contract | $3 / 11 / 16$ | $12 / 31 / 17$ | Carole <br> Holland | Financial system <br> replacement | $\$ 5,740$ | $\$ 370,694$ | Add funds for customization <br> and purchase of support <br> hours |
| MLA-330 | Samanage | Contract | $6 / 18 / 13$ | $6 / 17 / 17$ | Vincent <br> Barrailler | IT ticketing system | $\$ 11,700$ | $\$ 25,177$ | Amendment adding funds <br> and SOW for process <br> improvements |

## STAFFING

| Department | November 2016 |  |  | December 2016 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | FTE (bodies) | Contractor | TOTAL | $\begin{gathered} \text { FTE } \\ \text { (bodies) } \end{gathered}$ | Contractor | TOTAL |
| Regular Employees |  |  |  |  |  |  |
| Executive/PMO | 7 | 0.25 | 7.25 | 8 | 0.25 | 8.25 |
| Policy | 8 | 0 | 8 | 8 | 0 | 8 |
| Legal | 11.5 | 0 | 11.5 | 12.5 | 0 | 12.5 |
| Communications | 17 | 0 | 17 | 16.5 | 0 | 16.5 |
| Finance \& Administration | 18 | 1 | 19 | 15.5 | 0 | 15.5 |
| Operations | 31 | 2 | 33 | 33 | 2 | 35 |
| IT | 27.5 | 16 | 43.5 | 28.5 | 14 | 42.5 |
| SUBTOTAL | 120 | 19.25 | 139.25 | 122 | 16.25 | 138.25 |
| Temporary \& Project Employees |  |  |  |  |  |  |
| Finance - Financial System Implementation | 1 |  | 1 | 1 |  | 1 |
| TOTAL | 121 | 19.25 | 140.25 | 123 | 16.25 | 139.25 |

